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## **Austria**

### **Product Brief**

# **Consumption Trends, Consumer Behavior, and Food Trade Trends**

## **2001**

Approved by:

**Paul Spencer**

**U.S. Embassy Vienna**

Prepared by:

Walter Krucsay

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#### **Report Highlights:**

**Socio-economic changes in the Austrian population are influencing consumption and purchasing habits. In 2000, sales of fruits and vegetables and non-alcoholic beverages showed the highest growth. For men, meat dishes are the favorite meal while women prefer lighter dishes. Young people like pastas best. The average household spends 13% of total expenditures on foods and non-alcoholic beverages.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna[AU1], AU



## **Consumption Trends, Consumer Behavior, and Food Retail Trade Trends**

### **Summary**

Changes in the age structure of the population, a rise in single households, high employment rates and increased mobility have a great impact on consumer behavior in Austria. Convenience products are in high demand and generally speaking, pricing for food items, is not as relevant as it used to be in marketing. The turnover of fruits and vegetables showed the highest growth, followed by alcoholic beverages and spicy snacks. The turnover of alcoholic beverages declined but sales by volume rose. The share of food expenditures accounts for 13% of total household expenditures. About 50% of the population favor traditional, more heavy, Austrian cuisine. Pastas are catching up. Women and older people prefer light and healthy meals. Around half of the population eats confectionaries or snacks daily; chocolate is the leading product. End summary.

Average rate of exchange: U.S.\$ 1 = AS 14.93 in 2000

### **A. Socio - Economic Changes**

Changes in the technological, socio-economic sectors and developments in consumer behavior are affecting retail trade in all. The change from a consumer article society to an information society is reflected in among other things, in the current leisure activities: Around 20% of Austrians spend their leisure time on their own computers.

In addition, changes in the age structure, the rise in single households and increased mobility are only some of the factors which influence trade relevant behavior trends in Austrian society. The acceptance of family and job and the resulting high value, that is placed on time, is for instance reflected in the convenience orientation of consumers and suppliers. For example gas station shops offer a large selection and the opportunity to purchase and after other regular grocery stores have closed (due to Austria's strict rules on store hours).

### **B. Consumer Characteristics**

According to a recent poll, the event, leisure, and recreation tendencies in Austrian consumers are growing. As a consequence, convenience is now key to the success for many food products. In contrast to previous years, organic, ecological, and brand orientation show only a minor upward trend. Price, is not as essential as it used to be in marketing food products.

The current Austrian client is characterized by self indulgence, individualism, and the desire for self-realization. Campaigns and advertisements considering these attitudes use slogans such as "everything a good time", or "because I am worth it". Emotional moments transmitted through cosy shops, interesting articles, and friendly personnel gain significance on the saturated Austrian market.

### **C. "New Shopping" Gaining Significance**

"New" retailers are on the upswing. Gas station, train station, and airport shops have become more attractive. Basic and "trendy" articles are purchased with a mix of emotion and exclusiveness.

The convenience sector is booming; processed and semi-processed dishes are nowadays, when everything must go fast, increasingly required. Also, new kinds of purchasing are another consequence of the social and technical changes. Electronic shopping, club, event, fun, and fan shopping are gaining significance, although they are not yet as important as in the United States.

#### D. Food Retail Trade

According to preliminary results, the 2000 total turnover of food retail trade was AS 152 billion. The increase of 1.3% compared to 1999 is very moderate, particularly if the price rise of 1.1% for foods is taken into consideration. In fact, it is difficult to achieve growth on the saturated Austrian food market. If a turnover growth can be achieved, then it is usually due to product innovations.

#### E. Food and Beverage Trends

Nielsen studied the 2000 trends of ten food groups, which already in 1999 had sales totaling around AS 62 billion. Of the three strongest turnover groups (dairy products, non-alcoholic beverages, and alcoholic beverages), only the turnover of non-alcoholic beverages (AS 9.11 billion, i.e. +3.2%) grew. A small increase was also noted for frozen foods (AS 5.29 billion, i.e. +1.1%) and convenience foods (AS 5.75 billion, i.e. +0.8%). The largest percentage losses fell on baby food (AS 0.22 billion, i.e. -4.6%), basic foods (AS 3.50 billion, i.e. -2.8%), and hot beverages (AS 3.29 billion, i.e. -2.2%). Spicy snacks (AS 1.28 billion decreased by 0.85%). The largest loser by value were alcoholic drinks (AS 8.92 billion, i.e. -2%), followed by dairy products (AS 15.79 billion, i.e. -1%), and basic foods (AS 3.50, i.e. -2.8%). The turnover of confectionaries (AS 8.52 billion) was unchanged.

##### a. Dairy Products

Within dairy products, only sales of the group of milk mixes, dessert yoghurt/creams (AS 3.41 billion, i.e. +2.2%) rose, whereas that of all others declined (milk AS 5.49 billion, i.e. -2.3%; cheeses AS 4.81 billion, i.e. -1.3%; various butters/products AS 2.07 billion, i.e. -2.4%). The European trend toward sterilized milk has now also reached Austria: their sales increased by 6%. The increased sales of milk mixes etc. is regarded as a result of intensive product innovation.

##### b. Non-Alcoholic Beverages

Within the non-alcoholic beverages only the sale of lemonade decreased by slightly more than 2%. Nevertheless, with AS 3.2 billion, this group could maintain the strongest turnover. The largest growth was in energy drinks (+20%), which is however, primarily due to the market leader Red Bull. There was significant growth in fruit syrups (+6.4%) and mineral waters (+4.9%). The latter was driven by a warm summer and product innovations.

In the fruit juice sector, the trend is to wellness products and carbonated juices, which contributed substantially to the 2.6% growth. Regarding wrappings, the popularity of non-returnable bottles is growing.

#### c. Alcoholic Beverages

The turnover drop in alcoholic beverages is misleading because it is due to a reduction in the alcohol tax. Actual sales by volume increased.

#### e. Fruits and Vegetables

The market research and promotion organization Agricultural Market Austria surveyed the fresh fruit and vegetable market. According to this survey, Austrians increased their fresh fruit and vegetable purchases by 7% in 2000 compared to 1999. Sales of these products by "conventional" retailers reached nearly AS 10.5 billion. If "alternative distributors" (direct on farm sales, farmer markets, etc.) are included, the amount is up to AS 11.8 billion (+2.6%).

The turnover rise for vegetables was higher than for fresh fruits. With AS 4.5 billion, the fresh vegetable market was still smaller than the fresh fruit market, but the difference shrank. After the three percent drop in 1999, this development was somewhat unexpected. As in 1999, the highest turnover was achieved with tomatoes, which accounted for 16.5% of the total fresh vegetable turnover. The share of other vegetables was as follows: lettuce 10.4%, peppers 9.8%, cucumber 7.2%, onions 4.9%, carrots 4.8%, ice lettuce 4%, champignons 3.3%, radish 2.4%, zucchini 2.3%, and other vegetables (34.4%).

Total fresh fruit sales by "conventional" stores were AS 5.7 billion (+0.6%) in 2000. The turnover rise was more moderate than in the preceding years. The lion's share was noted for bananas (19.3%), followed by apples (18.1%), oranges (8.8%), grapes (8.3%), strawberries (7%), nectarines (4%), lemons (3.9%), pears (3.4%), melons (3.3%), kiwis (2.9%), other fruits (21%).

There was no significant trend change within the fruit and vegetable categories.

The demand for organic fruits and vegetables, which was rising for many years, stagnated in 2000.

#### F. Consumer Expenditures

The average Austrian household spends AS 33,500 monthly. The lion's share accounts for lodging including utilities (23.5%) followed by transportation (15%) (mainly car). Expenditures for food and non-alcoholic beverages account for 13.2%. In 1980, food accounted for 25% of total income. While in 1970 an industrial worker had to work 2 hours and 55 minutes to afford one kilo pork filet and 27 minutes for a quarter kilo butter, he could purchase them with the wage for 42 minutes and 7 minutes respectively in 2000.

On average, each of Austria's 3.2 million households buys monthly 12 liters of milk, 26 kg fruits and vegetables, 35 eggs, 27 liters of non-alcoholic beverages, and 10 liters of alcoholic beverages.

Given the rising income and the nearly stagnant food prices, it is expected that the expenditure share for food and non-alcoholic beverages will continue to decline whereas that for leisure, sport, and traffic will rise.

#### G. Meal Choices

According to the Nielsen consumer survey of March 2001, 50% of the population prefer the traditional Austrian home made meal. About 20% favor light and healthy meals, which are particularly appreciated by women and older people. Taste is regarded as the most important criterium of foods. However, nutrition experts see a discrepancy between consumer statements and actual consumer behavior as convenience products find a continuously rising market. Although the quality of these products has improved, they are still not as tasty as freshly cooked meals.

Breaded pork filets, breaded chicken, rich stew, apple strudel and tarts are typical for heavy Austrian meals. Fruits, vegetables, and salads were previously not very important and particularly neglected by men but are gaining acceptance. The reasons for the new trends are probably the following:

- Wellness wave: young and older people have become more health conscious.
- Traveling wave: High living standards allow a rising number of people to travel to distant regions, where they come into contact with new exotic foods and beverages. This is also an explanation for the fact that restaurants with light Asian cuisine are popular in Austria.
- Emancipation: While previously mainly the meat oriented male consumers decided about meals, nowadays more women determine what comes on the table. As a consequence, more fruits, vegetables, and dairy products are purchased.

Wiener schnitzel with potatoes, fruit juices, and chocolates are the favorites of the average Austrian. Domestic cuisine remains traditional but pastas are catching up with the national meat dish.

In general, eating is still the most important leisure activity for Austrians. With young people international dishes are already dominate. The share of vegetarians is rising. Around 80% of meals are homemade but there is a distinct trend to convenience products. Usually, warm meals are eaten at lunch and cold ones in the evening.

Confectionaries and snacks are very popular; about half of the population (48% of men and 53% of women) eat them daily. Chocolate is the main item, salty snacks range far behind.

For 79 percent of Austrians, taste is the most important quality parameter of a meal. However, the taste preference depends heavily on age and gender.

Men are still eager for meat; 13% regard wiener schnitzel, and 7% various other meat dishes, as their

favorite meal. Seafood is preferred by 10%. Pastas is regarded as the top meal by 7%.

Women live healthier. Pastas are the preferred food for 11%. Vegetables and wiener schnitzel are favored by equal shares of 8%.

Young people like Italian food. 14% of the 14 - 24 year olds like pastas most, 12% pizzas, and 11% spaghetti.

With older people (above 60 years), 16% regard the wiener schnitzel and 6% other meat dishes as the best food. Seafood is also favored by 6%. About 8% appreciate vegetables most.

#### The Ten Most Favored Meals (in %) in 2000

Wiener schnitzel	11
Pastas	9
Seafood	8
Spaghetti	6
Vegetable dishes	6
Various meat dishes	5
Pizza	4
Chicken (fried or breaded)	4
Vegetables	4
Fried pork	4

#### The Ten Most Favored Beverages (in %) in 2000

Fruit juice	22
Beer	13
Wine	11
Mineral water	10
Tap water	7
Tee	7

Cola	5
Coffee	4
Lemonade	3
Fruit syrup	2

## The Ten Most Favored Confectionaries/Snacks (in %) in 2000

Chocolate	44
Biscuits	5
Chocolate bar	4
Cake	4
Potato chips	3
Other salt snacks	3
Pralines	3
Doughnuts	2
Torts	2
Chewing gum	2



H. Per Capita Consumption (in kg) and  
Self-Sufficiency (in %) of Selected Foods

	Per capita cons. 1999	Per capita cons. 2000	Self-suff. 1999	Self-suff. 2000
Beef	12.9	13.1	140	135
Pork	40.7	42.8	107	99
Poultry	10.5	10.1	75	76
All meat types	66.2	68.3	110	104
Milk	77.4	75.2	105	107
Butter	5.1	4.9	89	93
Cheese	16.4	16.1	82	89
Processed cheese	1.3	1.2	166	182
Fish	5.5	4.9	7.5	7.5
Molluscs & crustac.	0.5	0.5	0	0
Apples	25.0	26.3	92	83
Apricots	2.4	3.8	39	57
Berries	5.7	5.6	48	50
Bananas	10.7	9.7	0	0
Var. nuts	1.5	1.2	0	0
All fruits	87.9	91.6	61	57

All vegetables	93.6	98.5	60	69
Wine	30.6	31.8	107	107
Beer	113.3	114.1	101	100

Note: Per capita consumption of meats is not based on slaughter weight but actual edible meat without bones. Berry figures do not include strawberries. Fruit and vegetable figures in columns 1999 and 2000 are for 1998/99 and 1999/2000 respectively.

## I. U.S. Export Opportunities

Most of the products, which are imported come from other EU countries. Main opportunities for U.S. food exports are in seafood, berries (particularly cranberries), snacks, various nuts (particularly almonds), and wine.